

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, December 3, 2007

9:00 A.M. Worksession

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Ellen W. Reckhow, Vice-Chairman Michael D. Page, and Commissioners Lewis A. Cheek, Philip R. Cousin Jr. and Becky M. Heron

Absent: None

Presider: Chairman Reckhow

Approval of Public Official Bonds

County Attorney Chuck Kitchen stated that the Board of Commissioners is required to approve the bonds of public officials on the first Monday in December of each year. Following approval, the bonds will be recorded in the Register of Deeds Office and then sent to the Clerk of Superior Court for safekeeping.

Commissioner Cheek moved, seconded by Vice-Chairman Page, to suspend the rules.

The motion carried unanimously.

Commissioner Cheek moved, seconded by Vice-Chairman Page, to approve the bonds of public officials.

The motion carried unanimously.

Resolution of Support for Highway Historic Marker Honoring the Royal Ice Cream Parlor Sit-In

R. Kelly Bryant, local historian, requested that the Board of County Commissioners adopt a resolution urging the Highway Historic Marker Committee of the Office of Archives and History division of the NC Department of Cultural Resources to reverse an earlier decision and honor the participants of the Royal Ice Cream Parlor sit-in with an historic

marker. The marker would be located at the corner of North Roxboro and Dowd streets where the Royal Ice Cream Parlor once stood.

On June 23, 1957, Reverend Douglas Moore and six students launched the sit-in (believed to be one of the first of its kind in the state and is widely held as a precursor to the more famous 1960 sit-in at a Woolworth's lunch counter). The latter event is widely credited with starting the civil rights movement in North Carolina.

Commissioner Cheek moved, seconded by Vice-Chairman Page, to suspend the rules.

The motion carried unanimously.

Commissioner Cheek moved, seconded by Commissioner Cousin, to approve the resolution asking the Historic Marker Committee to approve a marker for Durham to bring long, overdue recognition to this significant civil rights event.

The motion carried unanimously.

Election of Chairman and Vice Chairman of the Board of County Commissioners

Chairman Reckhow recognized County Attorney Chuck Kitchen to preside over the election of the Board's chairman.

Attorney Kitchen recognized Commissioner Cousin.

Commissioner Cousin stated that he wished to nominate Commissioner Ellen W. Reckhow to serve as chairman of the Board of County Commissioners for another year.

County Attorney Kitchen called for further nominations. As no additional nominations were made, he closed the nominations and requested a vote.

The motion carried unanimously.

Attorney Chuck Kitchen congratulated Chairman Reckhow on her reappointment.

Chairman Reckhow proceeded with the election of vice chairman.

Commissioner Heron stated that she wished to nominate Commissioner Michael D. Page as vice chairman of the Board.

No further nominations were made; therefore, Chairman Reckhow closed the nominations and called for a vote.

The motion carried unanimously.

Chairman Reckhow thanked the Commissioners for their continued confidence and support. She stated that she looks forward to working with the Commissioners in 2008.

Vice-Chairman Page echoed Chairman Reckhow's comments.

Commissioner Heron stated that it has been an honor to serve as vice chairman on the Board of County Commissioners.

Truancy Triage Center

Irene Dwinnel, Project Director, Truancy Triage Center (TTC), introduced this item. She provided a brief presentation regarding the creation of the Center and its core mission.

Ms. Dwinnel stated that the operations of the TTC team will provide cohesive and effective interactions by having all necessary interventions in one location. The team, along with the child and their parents/guardians, will collect data outlines above to develop a Student Success Plan for each child. Prevention will provide pro-social activities and tutoring through the John Avery Boys and Girls Club to ensure that identified students remain successfully engaged in school. Immediate mental health interventions occur because the potential provider, who will be on site, will immediately screen and assess for initial diagnosis and obtain authorization for services prior to the family leaving the TTC.

The Board held a discussion regarding the effect truant officers have on the students.

Directives

1. Need to know the effectiveness of the truancy officers
2. Share the TTC proposal by memo with the City Council.
3. Bring to the Board detailed information regarding how TTC plans to operate, who are the key players, and what will be the interaction.

Budget Ordinance Amendment No. 08BCC000039A and Capital Project Amendment No. 08CPA000010-\$1,475,000 Appropriation of Capital Financing Fund Fund Balance to Increase the New Justice Center Project (No.: DC066) to \$14,296,455

Chairman Reckhow reported that the County and AREC, LLC have entered into a consent judgment on the condemnation of the property for the new Justice Center. The County had initially deposited the sum of \$1,350,000 and has now agreed as part of the settlement to deposit an additional sum of \$1,475,000. This additional sum will be appropriated from the Capital Financing Fund fund balance and will increase the overall New Justice Center Project budget to \$14,296,455.

Commissioner Cheek moved, seconded by
Commissioner Cousin, to suspend the rules.

The motion carried unanimously.

Commissioner Cheek moved, seconded by
Commissioner Cousin, to approve Budget Ordinance
Amendment No. 08BCC000039A and Capital Project
Amendment No. 08CPA000010 appropriating
\$1,475,000 of Capital Financing Fund fund balance to
increase the New Justice Center capital project to
\$14,296,455.

The motion carried unanimously.

Sales Tax Redistribution

County Manager Mike Ruffin introduced this item. He stated that the Interlocal Agreement between Durham County and the City of Durham expires on June 30, 2008. The agreement specifies how sales tax proceeds are shared by the two jurisdictions. The present formula for the distribution of countywide sales tax proceeds will no longer apply due to changes in how existing sales proceeds may be shared. These changes were approved as a part of the General Assembly's action to assume responsibility over the next few years for the County's share of Medicaid. Consequently, either a change in the method of distribution must be approved by the County or a new interlocal agreement must be negotiated, approved by both jurisdictions, and received by the North Carolina Department of Revenue on or before April 1, 2008. Informal negotiations with the City of Durham have commenced to determine if agreement can be reached on a new Interlocal Agreement. County staff analyzed several alternatives and presented options to the Board of Commissioners for discussion.

County Manager Ruffin discussed the following:

Sales Tax Distribution Comparisons

No Legislation /With Cur. Interlocal	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
City	\$39,911,722	\$41,431,666	\$43,012,408	\$44,656,379	\$46,366,109	\$48,144,229
County	\$57,132,954	\$59,494,797	\$61,951,114	\$64,505,684	\$67,162,436	\$69,925,458
Chapel Hill	\$459,123	\$477,487	\$496,587	\$516,450	\$537,108	\$558,593
Raleigh	\$127,090	\$132,174	\$137,461	\$142,959	\$148,677	\$154,625
Total	\$97,630,889	\$101,536,124	\$105,597,569	\$109,821,472	\$114,214,331	\$118,782,904
City % Split	41.13%	41.05%	40.98%	40.91%	40.84%	40.78%
County % Split	58.87%	58.95%	59.02%	59.09%	59.16%	59.22%
Straight per Capita Split With Effects of Medicaid Leg.	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
City	\$39,911,722	\$46,758,159	\$48,628,485	\$50,573,625	\$52,596,570	\$54,700,432
County	\$57,132,954	\$48,739,195	\$43,568,213	\$43,494,943	\$45,234,740	\$47,044,130
Chapel Hill	\$459,123	\$477,487	\$496,587	\$516,450	\$537,108	\$558,593
Raleigh	\$127,090	\$132,174	\$137,461	\$142,959	\$148,677	\$154,625
Total	\$97,630,889	\$96,107,015	\$92,830,746	\$94,727,977	\$98,517,096	\$102,457,780
City % Split	41.13%	48.96%	52.74%	53.76%	53.76%	53.76%
County % Split	58.87%	51.04%	47.26%	46.24%	46.24%	46.24%
Ad valorem Split	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
City	\$39,911,722	\$36,354,325	\$36,588,523	\$37,740,914	\$39,250,550	\$40,820,572
County	\$57,132,954	\$57,622,644	\$54,098,455	\$54,775,775	\$56,966,806	\$59,245,479
Total	\$97,044,676	\$93,976,969	\$90,686,978	\$92,516,689	\$96,217,356	\$100,066,051
City % Split	41.13%	37.83%	39.41%	39.84%	39.84%	39.84%
County % Split	58.87%	59.96%	58.28%	57.82%	57.82%	57.82%
Other	\$586,213	\$2,130,046	\$2,143,768	\$2,211,288	\$2,299,739	\$2,391,729
Other % Split	N/A	2.22%	2.31%	2.33%	2.33%	2.33%

Grand Total	97,630,889	96,107,015	92,830,746	94,727,977	98,517,096	102,457,780
New Interlocal at 59.00% and 41.00%	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
City	39,911,722	39,153,915	37,800,646	38,568,113	40,110,837	41,715,271
County	57,132,954	56,343,439	54,396,052	55,500,455	57,720,473	60,029,292
Chapel Hill	459,123	477,487	496,587	516,450	537,108	558,593
Raleigh	127,090	132,174	137,461	142,959	148,677	154,625
Total	97,630,889	96,107,015	92,830,746	94,727,977	98,517,096	102,457,780
City % Split	41.13%	41.00%	41.00%	41.00%	41.00%	41.00%
County % Split	58.87%	59.00%	59.00%	59.00%	59.00%	59.00%

FY 2007-08 Current year estimate based on current Interlocal agreement at 56.82% and 43.18 % and 50/50 split on Article 44 over \$3.8 million city baseline.

Directives

1. Maintain flexibility in the Interlocal to be able to make necessary changes if needed.
2. Bring to the Board the expenditures relating to Medicaid and the impact it has on Durham County.
3. Place on the January Worksession.

Amendments to County Incentives Policy

County Manager introduced this item stating that the Board requested a review of the present County Incentives Policy to determine if any changes may be necessary in light of a rapidly changing and competitive economic development environment. County staff performed a statewide and national search of best practices. A new policy was proposed for the Board to consider.

County Manager discussed the following:

Process

- Commissioner briefings with the Manager (Before and After)
- Met with several stakeholders
- National and State “Best Practices”
 - Analysis
 - No best practice
 - Local situation drives local policies

Incentives Since 1997					
Company	Year	Investment	Incentive	Jobs	Date

		(Million)	Amount	Added	
Sphinx	1997	\$70	\$1,000,000	125	
Aisin AW	1998	\$100	\$2,000,000	250	
Tivoli	1998	\$34	\$420,000	500	
Freudenberg Nonwovens	1999	\$75	\$475,000	125	
Freudenberg Tufts	2000	69	450,000	85	
AW North Carolina	2004	160	2,000,000	450	
Eisai	2006	105	1,000,000	84	Feb-06
Stiefel Laboratories	2006	35	75,000	250	Feb-06
United Therapeutics	2006	54	650,000	175	Mar-06
Parata Systems	2006	17	100,000	200	Jun-06
AICPA	2006	6	400,000	400	Aug-06
Quintiles Transnational	2006	10.8M+60M	2,000,000	1,000	Nov-06
Merck Pharmaceuticals	2007	100	1,000,000	60	Jan-07
Nitronex Corporation	2007	24	100,000	200	Mar-07
Capitol Broadcasting Corp	2007	32	6,129,610		Mar-07
Computer Sciences Corp.	2007	101M+New Bldg.	1,000,000	200	May-07

Goals

- Develop a policy that will survive legal scrutiny
- Develop a policy that enables Durham County to compete globally
- Develop a policy that provides clear direction for staff
- Develop a policy that answers frequently asked questions
- Develop a policy that provides incentives for commercial developments in selected areas

Conditions for Incentives

- Taxable value of \$50 million (new) or \$30 million (expanded) as determined by Tax Department; or
- Creation of at least 200 full-time jobs
- Company must agree to pay at average wage for category of employment
- Company must provided health benefits
- Requires public hearing before approval
- Maximum incentive
 - 2.25% of Assessed Value
 - Jobs
 - 200-500 jobs: \$1,000 per job
 - 501 to 1,000 jobs: \$1,500 per job

- More than 1,000 jobs: \$2,000 per job
- Term of payment: up to seven years
- “Claw-back” if company fails to meet requirements of incentives contract

Today’s Goals

- Individual briefings limit discussion among Commissioners
- Direct staff to explore other revisions
- Place on January 7 Worksession for further discussion
- Place on future agenda for public comment

In response to Vice-Chairman Page's question regarding the conditions for incentives, Deputy County Manager Carolyn Titus stated that the living wage ordinance does apply. The companies are informed that the County will not consider entering the incentive agreement unless it meets the living wage ordinance.

Vice-Chairman Page expressed interest in the “Claw-back” clause.

Commissioner Cousin asked to what extent recommendations could be made to ensure Durham does not overstep the legal boundaries.

County Attorney Kitchen explained that requiring companies to hire Durham County residents would violate the privileges of immunity laws of the United States Constitution. However, Durham County has opted to pay for training for Durham County residents who are hired by these companies.

County Manager Ruffin explained the nonresidential provision as it relates to mixed-used projects.

The Board held a discussion regarding the terms and conditions of the county's incentives policy.

Directives

1. Make the necessary changes as requested by the Board.
2. Look at the base information to get the requirements.
3. Place on the January Worksession.

Amendment to City-County Interlocal Cooperation Agreement 911 Communications

Carolyn Titus, Deputy County Manager, introduced this item. She stated that during the recent General Assembly Session of North Carolina, Chapter 62A of the General Statutes was amended significantly with the intent to modernize and improve the administration of the state’s 911 system through a statewide 911 board. The legislation also imposes a statewide fee of \$0.70 on all wire-line and wireless active voice communications service

connections capable of accessing the 911 system. These funds will be collected by the State 911 Board and distributed to the primary PSAPs (Primary Public-Safety Answering Points). Individual counties and/or cities of North Carolina will no longer be responsible for the collection or setting of 911 fees as of January 1, 2008. This legislation necessitates the revision of the 911 Interlocal Agreement between the City and County of Durham to reflect the Statute change so that the funds collected are in agreement with these changes and appropriated in accordance with law. No change on the current budget is anticipated due to this legislative revision.

Jim Soukup, Director of Durham City-County Emergency Communications, briefed the Board regarding the purpose of the new legislation.

Directive

Place on the December 10 Regular Session.

Register of Deeds' Request for Fund Appropriation for Automation, Restoration, and Preservation of Birth, Death, and Land Records

Willie L. Covington, Register of Deeds, informed the Board that the Office of the Register of Deeds has recently completed Phase I of the Reunification of Durham County Vital Records Project. In July, the physical relocation of Vital Records and staff to the Register of Deeds office in the Administration Building was completed. This move was necessary to realign all birth, death, and land records under the statutory owner the Office of the Register of Deeds. The Register of Deeds is uniquely equipped and has the responsibility to hold county records in perpetuity. Over the past year, it has come to staff's collective attention that the vital records recently acquired by the office are in serious need of automation, restoration, and preservation to ensure the safety and availability of these records.

Mr. Covington requested a fund appropriation in the amount of \$945,000 to preserve the vital records and other documents stored in the Register of Deeds' Office. The funds will be used for birth records from 1879 to present, death records from 1909 to present, and land records from 1881 to 1962. Expenditures are as follows:

▶ Book Scanning/Indexing of Vitals & Real Estate Records and the Preservation/Restoration of Vitals & Real Estate Records	- \$785,000
▶ Deacidification/Conservation Treatment of Vitals Records	- \$160,000
Total	<u>\$945,000</u>

Mr. Covington responded to questions posed by the Board regarding the restoration of records.

Directives

Place on the December 10 Regular Session.

Renovation of the Second Floor of the Judicial Building Project Discussion

Glen Whisler, P.E., County Engineer, introduced this item, stating that the Board of County Commissioners requested that the renovation of the second floor of the Judicial Building be discussed. The project is to renovate and backfill the spaces vacated in the Judicial Building when the Judicial Building Annex was occupied. The renovations to the second floor will provide short-term and overcrowding relief in the Judicial Building. The renovation will provide more efficient operations in the Clerk of Court's Office by consolidating separate offices into one area to serve as the Office Suite and Cashier's Station and provide workable office space for the new Criminal Justice Resource Center - Job Resource Center programs, including modifications for storage, communication cabling, plumbing, mechanical, and electrical systems. Modifications to the existing Public Defender's Office will accommodate new program space needs. Renovations to Courtroom No. 2 will provide direct access into the courtroom from the existing holding area to minimize security risks. The renovations to the office space for the Judge, Durham Police Department, Sheriff Department Security Control, District Attorney Interview Area, and related waiting space will provide more efficient use of the spaces.

The Board thanked Mr. Whisler for the update.

Directive

Place on the December 10 Regular Session.

Durham County Human Services Complex Design Update

Glen Whisler, P.E., County Engineer, introduced this item. He stated that the Board of Commissioners requested to receive an update on the construction documents phase for the proposed Durham County Human Services Complex to be located on East Main Street. This project is to build a new Human Services Complex to house the Department of Social Services, Public Health Department, and The Durham Center (formerly Mental Health). This facility was included in the Durham County Facility Master Plan completed in 2000 and amended in 2003 to reflect the changes generated by the downsizing and reorganization of Mental Health.

The schematic design was presented to the Board on May 1 and June 5, 2006. On November 6, 2006, the Board received presentations on the design development phase including revisions that responded to the BOCC and Appearance Commission's comments. The Board provided input on the exterior appearance of the building, which allowed the project to advance to the construction document phase.

Upon completion of the construction documents and demolition of the 500 Block, the next phase of the project is to advertise the construction for bids.

Eric Davis, Principal, AIA, provided an update on the site. Mr. Davis responded to several questions posed by the Board.

Zena Howard, AIA, The Freelon Group, P.A., briefed the Board on the floor plans. She gave a breakdown of the meeting space as well as the location of the elevators, the entrance for employees, and after-hours entry.

Rick Kuhn, AIA, Principal, provided a brief overview of the exterior design issues.

Directive

Consider a fee schedule for future rental space for the Human Services Complex.

Durham County Justice Center Update

Glen Whisler, P.E., County Engineer, introduced this item. He stated that the Board is requested to receive an update on the schematic design of the proposed Durham County Justice Center. On July 24, 2006, the Board of County Commissioners awarded a contract to O'Brien/Atkins Associates (O/A), P.A. for architectural design services for the project.

Mr. Whisler reported that programming was finalized and the schematic design was completed. The project is currently in the design development phase. A series of meetings with the court staff and occupants of the building have been completed as part of the programming and preliminary design phases.

The architect will provide an update to the Board upon completion of the design development, the next phase of the project is to begin construction documents. The purpose of this update is to present the project to the BOCC and receive input on the exterior appearance of the building, which will allow the project to move into the construction document phase.

Kevin Montgomery, FAIA, O'Brien/Atkins Associates, P.A., briefly discussed brief the building plans. He informed the Board that there will be no underground connection to transport the inmates.

John Atkins, FAIA, O'Brien/Atkins Associates, P.A., informed the Board of the advantages and disadvantages of the construction manager at-risk.

In response to Commissioner Heron's concerns as it relates to management of the parking deck and the cost of maintenance, County Manager Ruffin stated that Durham County will own the parking deck. If any additional levels are added, the developer will pay for any cost increase associated with the debt expansion. However, this has not been finalized in the construction cost estimate.

Mr. Whisler stated that security cameras will be installed along the walkway to monitor the transporting of inmates.

Directives

1. Follow up on the cost of maintaining the parking deck.
2. Give careful thought to the design of the deck being that it is the main entrance into downtown.
3. Consider having stakeholder meetings to gather input from citizens.
4. Focus on durable materials due to the inflow and outflow of traffic.
5. Ensure adequate lighting near the plaza area to ensure the safety of citizens going to the Performing Arts Center.

Adjournment

Before the meeting adjourned, Chairman Reckhow informed the Board that in the future, Vonda Sessoms, CMC, Clerk to the Board, will provide weekly calendars to alert Commissioners of upcoming meetings.

There being no further business, Chairman Reckhow adjourned the meeting at 2:05 p.m.

Respectfully Submitted,

Angela M. McIver
Staff Specialist
Clerk to the Board's office